



Electricity Oversight Board

Daily Report for Monday, March 8, 2004

The average zonal price increased by 43 percent for SP15 to \$59.44/MWh up from \$41.67/MWh and decreased by 8 percent for NP15 to \$38.21/MWh. The higher zonal prices could be the result of:

- Warm weather conditions. Temperatures increased across California between 3 and 4 degrees and ranged in the mid-70s to mid-80s.
- Stable natural gas price. The average natural gas price remained fairly unchanged at \$5.24/MMBtu.
- Congestion on Path 26 in the north-to-south direction between 10 a.m. and 8 p.m. resulted in split zonal prices and higher SP15 average zonal price. Between
- Higher generation outage level that ranged at between 11,700 MW and 12,300 MW.
- Increase demand. The average actual load increased by about 4,000 MW from Sunday, and by 1,300 MW from Friday.
- The CAISO day-ahead forecast deviated from the actual forecast between about 1,000 MW to 1,500 MW from 10 a.m. and 4 p.m. translating to 3 percent to 5 percent deviating.
- Insufficient ancillary services bids. On Monday, for a total of 5 hours, the CAISO ancillary services reserves fell short of the required 7 percent.
- Due to technical difficulties, the CAISO dispatched manually by phone between 4:54 p.m. and 5:24 p.m.
- At about 6:26 p.m., for a period of 40 minutes, the CAISO experienced a transmission overload on Path 26. Path 26 has a transfer capability of 3,000 MW that was exceeded by as much as 261 MW during this period.

The price spike at 10 p.m. could have occurred as a result of the winter peak load (evening hours) that concurs with the periods which generators with long-term contracts typically ramp down. To balance the loads with resources in the real-time sometimes requires acceptance of all bids that could imply higher priced bids as well.

In an effort to mitigate intra-zonal congestion, the CAISO requested decremental energy bids for Miguel banks between 10 a.m. and 11 p.m.

Figure 1 - SP15 & NP15 7-Day Rolling Average Prices

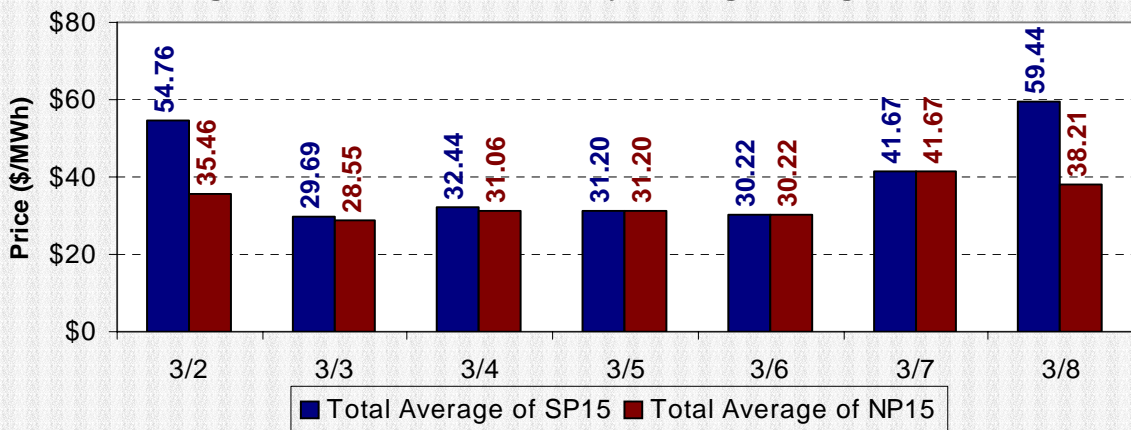
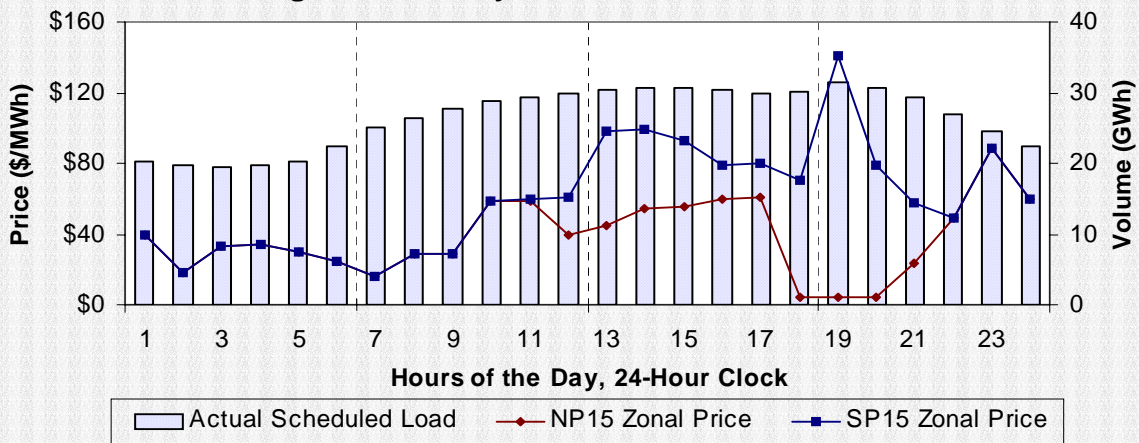


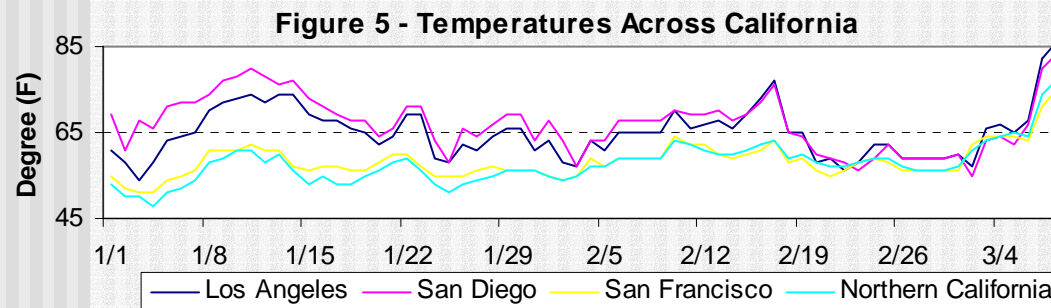
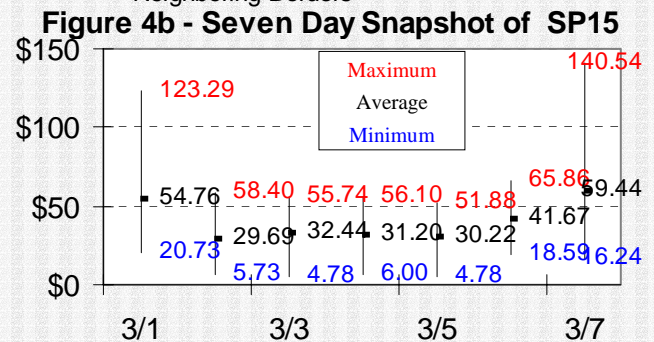
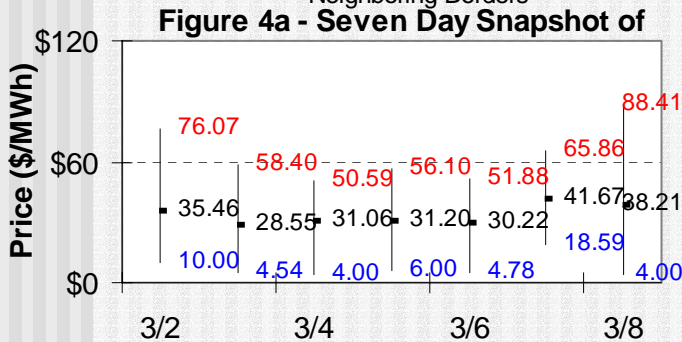
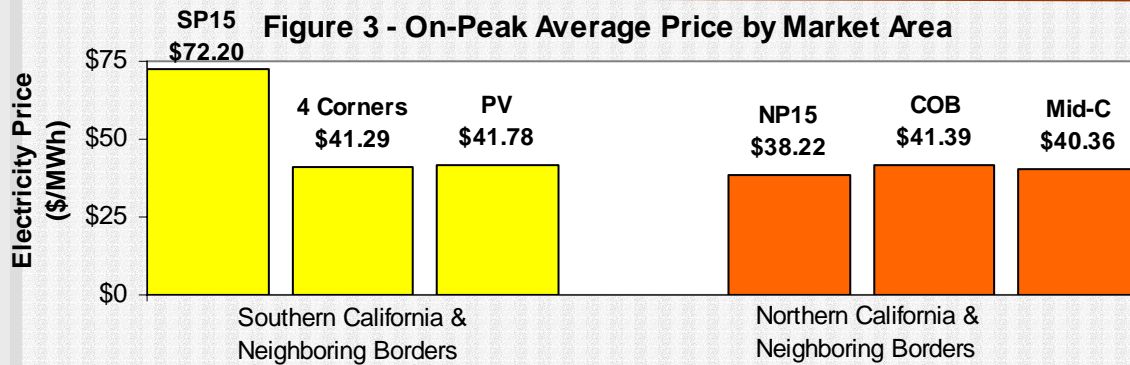
Figure 2 - Hourly Zonal Price and Volume





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Region	Temp (F)	Degree Change
Los Angeles	86	4
San Diego	83	3
San Francisco	75	4
Northern CA	77	3

